



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

25 April 2, 2013

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SACHI A. HAMAI
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April 02, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

AUTHORIZE THE ACQUISITION OF A REPLACEMENT BOILER SYSTEM FOR THE DEPARTMENT OF HEALTH SERVICES ADMINISTRATION BUILDING (FIRST DISTRICT) (3 VOTES)

SUBJECT

Authorize the purchase of a replacement boiler system for the Department of Health Services Administration Building.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the acquisition of a replacement boiler system at the Department of Health Services (DHS) Administration Building with an estimated acquisition cost of \$643,811 because it exceeds the \$250,000 capital asset threshold established by the Board.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In approving the recommended actions, the Board is authorizing the purchase of a replacement boiler system at the DHS Administration Building. This boiler system provides heating to both the DHS Administration Building and the Central Public Health Center. The current heating system is composed of two obsolete boilers one of which is permanently out of service because it cannot meet the South Coast Air Quality Management District (SCAQMD) emission requirements. At this time, the remaining boiler is still operating but it is uncertain how much longer it will continue to function. When this remaining boiler fails, rental equipment will need to be obtained and installed so that heat can continue to be provided to these two facilities. The replacement boiler system will be composed of two skid mounted systems with three smaller boilers each. The use of smaller boilers is more efficient and will eliminate the need for extensive SCAQMD monitoring.

On October 16, 2011, the Board adopted a policy whereby departments must obtain Board approval to purchase or finance equipment with a unit or system cost of \$250,000 or greater prior to submitting the requisitions to the Purchasing Agent. The equipment identified in Attachment A exceeds \$250,000, the established threshold for capital asset purchases, and requires the Board's approval to move forward with the acquisition process.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated acquisition cost of the equipment identified in Attachment A is \$643,811 and is funded within DHS and DPH's respective FY 2012-13 Final Budget for Capital Assets. DPH occupies 100 percent of the CPHC building and 28.32 percent of the DHS Administration Building. DHS occupies the remaining 71.68 percent of the DHS Administration Building. Therefore DPH's share of the boilers is 43.72 percent of the cost or \$281,473 and DHS's share of the boilers is 56.28 percent or \$362,338.

The equipment purchase cost includes six new boilers, site preparation, installation, start-up, safety checks, training, and a one-year warranty on parts. LAC+USC Medical Center Facilities Management staff will support the ongoing operation of the boiler system.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The replacement boiler system is needed to ensure heating is provided to both the DHS Administration Building and the Central Public Health Center.

ENVIRONMENTAL DOCUMENTATION

The installation of this equipment is categorically exempt from CEQA pursuant to State CEQA Guidelines Section 15301(a) because the project involves the repair and minor alteration of an existing facility, involving no or negligible expansion of the existing use.

CONTRACTING PROCESS

The acquisition of this equipment is under the statutory authority of the County Purchasing Agent and will be accomplished in accordance with County Purchasing Policies and Procedures established by ISD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The acquisition and installation of the replacement boiler system will ensure the continued provision of heat to both the DHS Administration Building and the Central Public Health Center.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:mm

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Internal Services Department

**Replacement Boiler System for Department of Health Services Administration Building
Estimated Acquisition Cost**

Item Description	Quantity	Cost (includes sales tax)
Camus DFBH 2000 Hot Water Boiler	6	\$181,994
Site Preparation/Installation		\$375,470
SCAQMD Permit Fees		\$ 3,000
Subtotal		\$560,464
Contingency (10%)		\$ 56,047
Freight (15% on Equipment)		\$ 27,300
Total		\$643,811